

DEPARTMENT OF BENEFIT PAYMENTS

744 P Street, Sacramento 95814

December 9, 1976



ALL-COUNTY LETTER NO. 76-136

TO: ALL COUNTY WELFARE DIRECTORS
WELFARE FISCAL SUPERVISORS
COUNTY AUDITORS
ADMINISTRATIVE SERVICES OFFICERS

SUBJECT: RETROACTIVE BHI ADJUSTMENTS

REFERENCE:

This letter provides instructions for claiming retroactive BHI adjustments. Persons counts will change from nonfederal to federal for BHI children who initially met all the requirements for federal participation, but who were erroneously claimed as nonfederal.

We have sought approval since 1973 from the Federal Government to make retroactive claims and have been unable to obtain a satisfactory reason for their continued refusal to allow claiming. We can see no legal justification for their position, accordingly these claiming instructions are being distributed. In the event the Federal Government disallows our claims, we will utilize appropriate administrative and legal remedies to insure payment.

As you are aware, DHEW requires special documentation showing eligibility for federal financial participation in the AFDC-BHI Program and does not permit reconstruction of records. Case records on file in the county must substantiate that each BHI child for whom an adjustment is being reported met all the requirements for federal participation in effect during each month for which federal financial participation is claimed.

It will be necessary to separate the adjustments as follows.

1. Current period beginning January 1, 1973
2. Period covering November 1, 1968 - December 31, 1972
3. Period covering January 1, 1966 - October 31, 1968
4. Period covering August 1, 1961 - December 31, 1965

Claiming Instructions

A. Current period beginning January 1, 1973:

The total retroactive adjustment for the current period will be reflected on Line 9 of the CA 800 (BHI) and will be substantiated in the same manner as other adjustments (i.e., included on the integrated payroll or on a schedule of adjustments attached to the claim). The retroactive adjustment may be recorded as a single line entry on the ABCD 278 (or approved substitute) identifying the months covered. The minimum information needed on the integrated payroll or attached schedule of adjustments is case number, case name, and persons counts (showing change from nonfederal to federal).

B. Period prior to January 1973:

The adjustments for the three prior periods will be substantiated in the same manner as those for the current period. However, because of the changes in federal or state participation, it is necessary to provide a means for correctly determining federal, state and county shares for each period. Attached is a copy of a special form designed for this purpose. An additional supply will be sent under separate cover. The form will be used as follows:

1. Section I - Period 11-1-68 - 12-31-72

Enter total persons count adjustment for the period in blocks A and B. Enter the average payment as claimed on the CA 800 (BHI) for December 1972 in block C. Compute federal, state and county shares in accordance with the instructions on the form.

2. Section II - Period 1-1-66 - 10-31-68

Enter total persons count adjustment for the period in blocks I and J. Enter the average payment as claimed on the CA 800A (BHI) for October 1968 in block K. Compute federal, state and county shares in accordance with the instructions on the form.

3. Section III - Period 8-1-61 - 12-31-65

Enter the total persons count adjustment for the period in blocks Q and R. Compute federal, state and county shares in accordance with the instructions on the form. Note: During this period federal share in BHI was determined by multiplying the number of federal persons counts claimed in the month by \$19.

4. Section IV - Total Adjustment

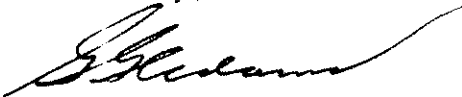
Determine the combined federal, state and county shares for the three prior periods. For claiming purposes these shares will be reflected in Columns D, E and F, Line 21 of the CA 800 (BHI) on which the retroactive adjustments for the current period are reflected on Line 9 of the CA 800 (BHI).

On Line 21, please line through "For State Use" and insert "Special Retroactive Adjustment." Enter the increase to federal share (V) and the corresponding decrease in state (W) and county (X) shares in the proper columns and recompute the grand totals on Line 22. The form on which the computations for the prior periods are made is to be attached to the claim for substantiation along with the listing of data which supports the adjustments for each prior period. The minimum information required is the same as for the current period.

NOTE: If reporting adjustment on Form CA 800 (BHI) revised November 1976, substitute Line 24 for Line 21 and Line 25 for Line 22.

If there are any questions, please contact Jim Collins, Chief, Financial Planning Section, at (916) 445-7046.

Sincerely,



GARY G. ADAMS
Deputy Director

Attachments

cc: CWDA